



COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

QUARTERLY BUSINESS SURVEY No. 25. PRELIMINARY RESULTS.

PAST AND ANTICIPATED CAPITAL AND MAINTENANCE EXPENDITURE BY AUSTRALIAN BUSINESS.

INTRODUCTION

In Quarterly Business Survey No. 25, which was carried out in the second half of 1953, particulars were sought from a representative list of private businesses as to their capital and maintenance expenditure in the first half of 1953 and their expected expenditure in the second half of 1953. On the basis of the replies received estimates have been prepared of the capital expenditure of all private businesses which were subject to payroll tax in Australia in June, 1953. At that time businesses with a payroll of more than £1,040 per annum were subject to payroll tax. Rural industries, governments, and most governmental business undertakings are excluded, and also small businesses not subject to payroll tax.

The term "buildings" herein includes a certain amount of construction work on assets such as private wharves, roads, etc. The term "capital equipment" herein includes motor vehicles, cranes, office equipment and furniture, and machines and machinery of all kinds.

NEW CAPITAL EXPENDITURE

Table 1 shows the expenditure on new buildings and new capital equipment from 1947 to 30th June, 1953, and an estimate of the expenditure expected to be made in the second half of 1953.

TABLE I. NEW CAPITAL EXPENDITURE, 1947 TO 1953

(By private businesses subject to payroll tax -
excluding rural industries)

	Year 1947	Year 1948	Year 1949	Year 1950	Year 1951	Year 1952	1952		1953	
							1st Half	2nd Half	1st Half	2nd Half
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
New Buildings										
Anticipated	-	26.8	26.7	36.9	49.6	62.6	31.7	30.9	31.5	30.1
Actual	16.3	20.9	25.2	32.4	48.5	62.2	31.7	30.5	26.7	-
New Capital Equipment										
Anticipated	-	72.9	78.2	92.2	128.5	147.8	78.2	69.6	69.5	72.6
Actual	58.1	72.1	80.6	99.3	133.9	147.5	78.0	69.5	77.1	-
Total New Capital Expenditure										
Anticipated	-	99.7	104.9	129.1	178.1	210.4	109.9	100.5	101.0	102.7
Actual	74.4	93.0	105.8	131.7	182.4	209.7	109.7	100.0	103.8	

Expenditure on new buildings and capital equipment in the first half of 1953 was estimated at £103.8m. This was nearly 4 per cent higher than the level of £100m. for the second half of 1952. Between the first and second halves of 1952 expenditure had fallen by £9.7m., but the subsequent rise to £103.8m. in the first half of 1953 and the slight fall of £1.1m. expected in the second half of 1953 suggest that expenditure has become steadier.

Between the second half of 1952 and the first half of 1953 expenditure on new buildings fell by £3.8m. while expenditure on other new capital equipment rose by £7.6m. Between the first and second halves of 1952 there had been a drop in both groups of expenditure, expenditure on buildings falling by £1.2m. and expenditure on other new capital equipment by £8.5. In the first half of 1953 the expenditure on new buildings continued to fall, but the expenditure on other new capital equipment recovered almost to the level of £78.0m. which was spent in the first half of 1952.

NEW CAPITAL EXPENDITURE IN INDUSTRY GROUPS

Table 2 shows the expenditure on new buildings and capital equipment in the chief industry groups from 1947 to June, 1953, together with the expenditure anticipated for the second half of 1953.

TABLE 2. NEW CAPITAL EXPENDITURE ON BUILDINGS AND EQUIPMENT IN INDUSTRY GROUPS
(By private businesses subject to payroll tax - excluding rural industries)

	Actual									Anticipated
	Year	Year	Year	Year	Year	Year	1952		1953	
	1947	1948	1949	1950	1951	1952	1st Half	2nd Half	1st Half	1953 2nd Half
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
<u>Manufacturing</u>										
Engineering, vehicles	17.9	21.6	24.1	26.9	40.7	49.2	24.0	25.2	23.8	23.7
Textile	1.9	3.5	3.6	4.1	4.5	3.7	2.2	1.5	2.0	1.7
Clothing	2.3	2.7	3.6	2.6	4.2	2.6	1.6	1.0	1.3	1.1
Food, drink, tobacco	7.9	8.2	10.9	15.0	17.8	23.8	11.6	12.2	14.4	14.1
Paper, printing	5.0	6.8	9.1	11.4	14.1	13.3	8.6	4.7	3.9	3.9
Gas & electricity	3.4	5.4	5.2	6.4	8.6	9.9	3.9	6.0	8.0	9.0
Other manufacturing	10.4	11.0	13.5	19.7	27.6	29.5	16.7	12.8	13.0	13.7
<u>Total Manufacturing</u>	<u>48.8</u>	<u>59.2</u>	<u>70.0</u>	<u>86.1</u>	<u>117.5</u>	<u>132.0</u>	<u>68.6</u>	<u>63.4</u>	<u>66.4</u>	<u>67.2</u>
Mining	2.1	3.3	4.5	6.8	10.8	13.7	7.4	6.3	7.4	5.0
Transport	4.7	6.5	7.2	6.8	10.2	10.8	5.3	5.5	5.2	5.8
Wholesale and retail trade	12.7	17.7	16.1	20.9	29.1	36.8	19.3	17.5	17.2	16.2
All Other	6.1	6.3	8.0	11.1	14.8	16.4	9.1	7.3	7.6	8.5
<u>Total Non-Manufacturing</u>	<u>25.6</u>	<u>33.8</u>	<u>35.8</u>	<u>45.6</u>	<u>64.9</u>	<u>77.7</u>	<u>41.1</u>	<u>36.6</u>	<u>37.4</u>	<u>35.5</u>
<u>TOTAL:</u>	<u>74.4</u>	<u>93.0</u>	<u>105.8</u>	<u>131.7</u>	<u>182.4</u>	<u>209.7</u>	<u>109.7</u>	<u>100.0</u>	<u>103.8</u>	<u>102.7</u>

Between the first and second halves of 1952 new capital expenditure had fallen in both manufacturing and non-manufacturing industry, but expenditure in each of them rose again in the first half of 1953. Between the second half of 1952 and the first half of 1953 expenditure in manufacturing industry rose by £3.0m. or 4.7 per cent, while expenditure in non-manufacturing industry rose by £0.8m. or 2.2 per cent. Over the same period expenditure fell in the engineering and vehicles industry and in the paper and printing industry, and it was fairly steady in the "other manufacturing" group. All the other manufacturing industries had marked rises, the steepest being in the textile industry and the gas and electricity industry where expenditure rose by 33 per cent. Expenditure in the mining industry rose by £1.1m. or 17 per cent, but the changes were very slight in the other non-manufacturing industries.

A rise in expenditure in the second half of 1953 was anticipated in the gas and electricity industry and in the "other manufacturing" group, while slight falls were expected in most of the other manufacturing industries. The rise expected in manufacturing industry as a whole was £0.8m. or 1.2 per cent. A fall of £1.9m. or 5.1 per cent was anticipated in non-manufacturing industry. The falls expected in the mining and trading industries more than offset the rises expected in transport and "other" non-manufacturing industries.

REPAIR AND MAINTENANCE EXPENDITURE

Table 3 shows estimated expenditure on repairs and maintenance since 1947 by the businesses covered in this Survey.

TABLE 3. REPAIR AND MAINTENANCE EXPENDITURE
(By private businesses subject to payroll tax - excluding
rural industries)

	Year 1947	Year 1948	Year 1949	Year 1950	Year 1951	Year 1952	1952		1953	
							1st Half	2nd Half	1st Half	2nd Half
	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.	£m.
Anticipated	-	57.4	64.2	69.7	89.4	114.9	55.8	59.1	60.8	66.2
Actual	58.3	62.7	70.3	77.4	109.0	129.6	65.4	64.2	70.0	-

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CANBERRA. A.C.T.

12TH JUNE, 1954